

Testimony
U.S. House of Representatives
Committee on Agriculture
Subcommittee on General Farm
Commodities and Risk Management
February 28, 2006
Missouri Corn Growers Association

My name is Terry Hilgedick. I will be presenting testimony on behalf of the Missouri Corn Growers Association. I proudly serve as President of the organization and am here representing over 15,000 Missouri corn farmers.

My family farm is just 12 miles from here in a small Missouri River town know as Hartsburg. I therefore bring a rather unique perspective to the issue. 100% of our farm lies in the fertile Missouri River Valley. We endured a severe drought in 2005. 60 days without rain, temperatures over 100 degrees many days during the most critical period fro crop yield development. Yet our farm collected 0 dollars from the crop insurance program. You may ask yourself, "Why do they carry crop insurance at all?" Flood Risk – and flood risk alone. It is imperative we have coverage for our #1 peril prior to March 15. RMA has said that they will go up and down the basin after the flood event and make the thousands of determinations of what policy holders are covered and what policy holders are not. That is a Pandora's Box that never should be opened. This is like buying homeowner's insurance on your house when fire is not covered, yet your agent winks and says that "it *probably* won't burn, and if it does *maybe* we can work something out later."

The battle over the "spring rise" has been raging 15 years and counting. I have personally testified in opposition on eight different occasions. The State of Missouri has opposed the spring rise for all of the 15 years to date, and will continue to do so. I submit to you that the spring rise is as out of our control as *any* weather event. Therefore it should be covered as any weather event. The language cited by J.B. Penn in his letter dated Feb. 1, 2006 reads "the release of water event." I find his choice of words particularly ironic given that the Army Corps of Engineers consider the spring rise as an attempt on their part, on behalf of the pallid sturgeon, to "mimic a naturally occurring event" that has not occurred for many years. Yet RMA has covered the "non-natural flows" (according to Corps) for many years. Why did they cover them? Because RMA deemed them "natural". It is a clear example of government agencies having a game of "three card monty" playing with farmer's money. The obvious intent of the "natural occurring" language is to deal with fraudulent practices by the insureds. This issue has *absolutely nothing to do with fraud*.

One of my neighboring farmers posed this question to me the other day. I pose it to you today. I agree to purchase crop insurance as a prerequisite to participating in USDA commodity price support programs. If I have only partial coverage for my perils, through the actions of the USDA, am I therefore out of compliance? Can USDA reach a contract with growers when the grower does nothing wrong?

You may be asking yourself "What is at risk here?" According to data compiled by Missouri State Farm Service Agency there are 910,513 acres in the 500 year floodplain in Missouri alone. I believe 85% of those acres to be in crops. The remaining 15% would be in roads, towns, trees, or otherwise uncropped. Therefore 774,000 acres of crops in Missouri are at risk. I estimate \$300 per acre in grower risk exposure. Increased risk exposure to Missouri agriculture due to RMA's position total \$232,200.00. It is important to reiterate that this data only covers acres in Missouri. Iowa, Kansas, and Nebraska data was not available to Missouri FSA.

Gentlemen it is obvious that farmers in the Missouri River Valleys, just like me, are being put into an impossible position. The level of risk we are being asked to withstand is unconscionable. The inflexibility of the U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, and USDA through this whole process has been monumental, not to mention disappointing. The financial distress caused by an "uninsurable" flood event will rob equity from families it took generations to build. Many operations will fail under the strain. All for the definitions of "natural", "insurable", and "endangered". RMA staff told me on February 1st how difficult this decision was for them. My response was "for as hard as it is for you to make the decision, it is a thousand times more difficult for me to live by it."

Members of the committee I thank you for your time and efforts. I encourage you to do the right thing.